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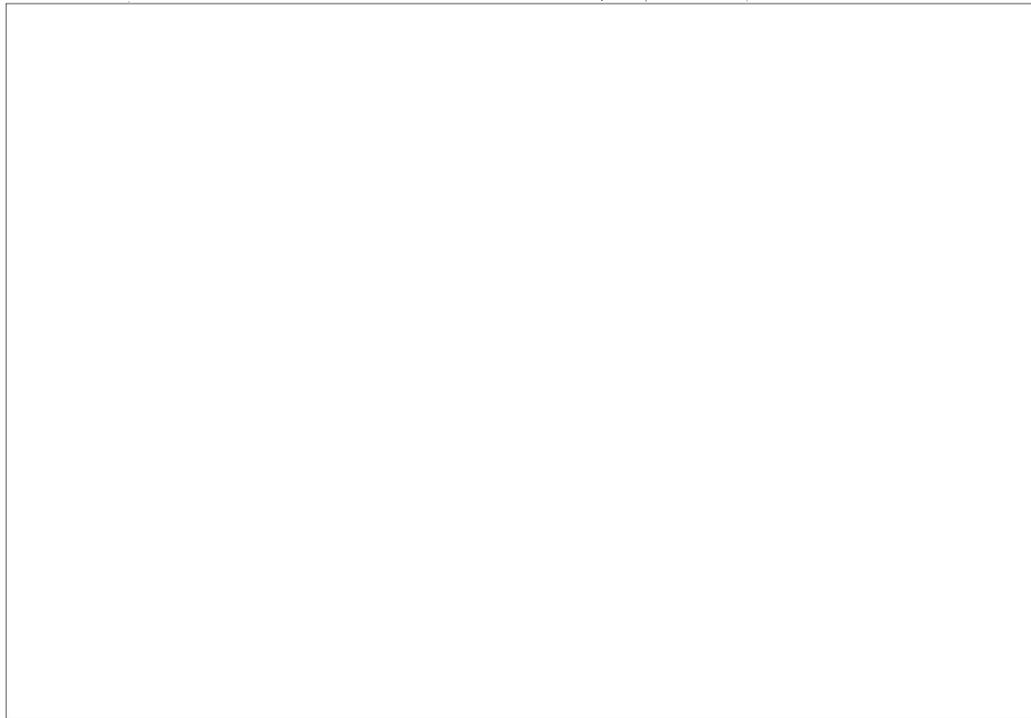


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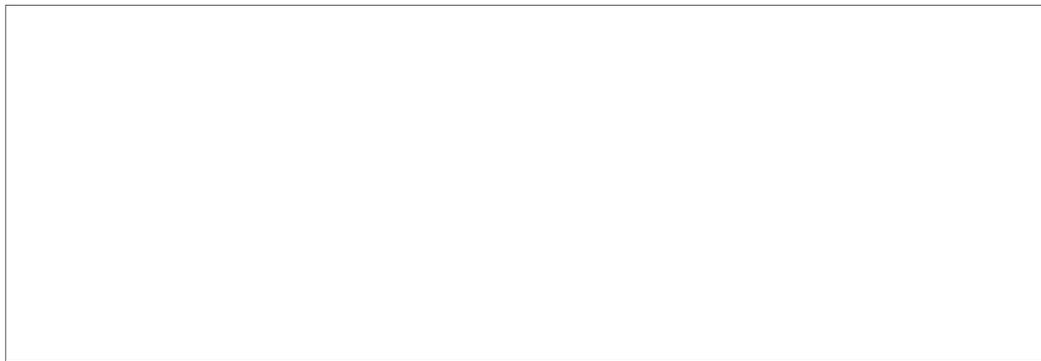
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## 1. MOROCCANS PRESS FOR FULL DIPLOMATIC RECOGNITION

Moroccan foreign minister Balafrej exhibited anger when the American chargé in Tangier told him on 2 May that the United States would not immediately recognize Morocco as being fully responsible for its foreign relations. Balafrej complained that the United States was continuing to support

French colonialism and said that the US government should change this position now if it wished to enjoy cordial relations with Morocco.

The American consul general in Rabat believes that Balafrej's remarks should not be considered bluster and states that he is one of the determined nationalists who are now emerging as dominant forces in a government generally pro-Western.

**Comment**                      The Moroccans are moving more rapidly than desired by Paris toward setting up their diplomatic establishment. The French Foreign Ministry maintains that the 2 March accord is not valid until approved by the French National Assembly, a step as yet unscheduled. It does not plan to transform its high commission in Rabat into an embassy until all negotiations with Morocco are concluded, probably this fall.

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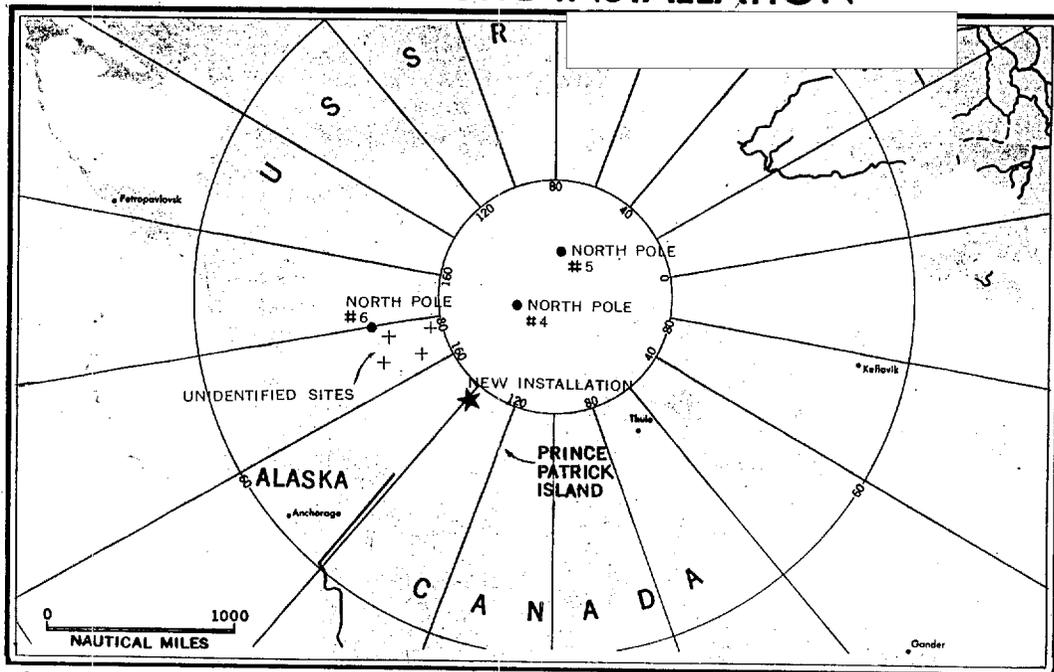
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## 2. USSR ESTABLISHES ARCTIC OCEAN INSTALLATION NEAR NORTH AMERICA

The USSR has established an installation in the Arctic Ocean approximately 230 nautical miles northwest of Prince Patrick Island, Canada. Aerial reconnaissance [redacted] revealed an airstrip of approximately 3,000 feet, seven twin-engine and one single-engine transport aircraft, eight tents, 50 persons, and one tractor and scraper.

Supply flights to this location by Polar Aviation TU-4's and twin-engine transports were initiated on 17-18 April. [redacted]

### SOVIET ARCTIC INSTALLATION



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indicated that at least 30 tons of freight had been flown to the site.

**Comment**

The speed with which the station was activated demonstrates a capability to set up on short notice forward facilities usable for military activities such as aerial and weather reconnaissance, early warning, or communications monitoring in Arctic areas. [REDACTED]

[REDACTED] the installation is either another in the series of Soviet drift stations or, more likely, a base for mobile scientific detachments developed by the USSR since 1941. The probability that it is the latter is strengthened by concurrent flights of Polar Aviation transports to a large number of locations in the area. Some of these locations have been tentatively identified and may be the sites of scientific observation teams. (Concurred in by ORR and OSI)

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### 3. JAPAN CONSENTS TO REPLACEMENT OF SOVIET MISSION CHIEF

[REDACTED] A Japanese Foreign Ministry official considers that the Japanese government's assent to the USSR's request to replace the chief of its unrecognized mission in Tokyo demonstrated the power of Japanese fishery negotiator Kono over the Foreign Ministry. Ambassador Allison reports that this official believed the Soviet request was designed as a "test of strength" of the Japanese position which should have been categorically rejected. Kono had advocated the grant of "minor concessions" to create a favorable atmosphere for the fishery talks at Moscow.

#### Comment

Kono remained in Stockholm, unwilling to go on to Moscow unless the Japanese government reached a decision on the Soviet request to replace Domnitsky, the mission chief.

[REDACTED]

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#### 4. ITALIAN GOVERNMENT MAY SPONSOR TRADE WITH COMMUNIST CHINA

 The American embassy in Rome believes the Italian government may be forced to take an active part in sponsoring trade with Communist China in order to counteract the activities of Dino Gentili, head of the Italian Communist-controlled trading firm COMET. An Italian commercial mission headed by Gentili, which arrived in Peiping on 30 April, is composed largely of commercial agents never previously engaged in trade with China. The Foreign Ministry denies the mission's claim that it represents major Italian firms in the chemical, pharmaceutical, and textile fields.

**Comment**                      Gentili's move seems to be an attempt to head off a projected mission which would have official sanction and bona fide industrial backing. He may be trying to create the impression that the Communists are the only Italians interested in and capable of expanding Sino-Italian trade.

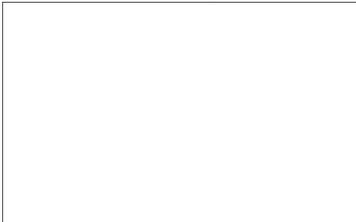
Negotiations in London for a trade agreement between Italy and China have been stalemated for months over the issue of diplomatic recognition.

The Italian government is extremely sensitive to pressure from public opinion and business interests on the subject of trade with China. Such trade has, however, never been extensive at any time in the past, and in 1955 Italian exports to China amounted only to about \$6,000,000, with imports of about \$4,500,000. Nevertheless, the left-wing parties accuse the government of depriving Italy of the benefits of tremendous business opportunities. (Concurred in by ORR)

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## 5. COLOMBO POWERS CONSIDERING SECOND AFRO-ASIAN CONFERENCE



A spokesman of the Indonesian Foreign Ministry stated on 2 May that the Colombo powers are now studying the "possibilities and needs" for holding a second Afro-Asian conference.

### Comment

Premier Ali Sastroamidjojo told the Indonesian parliament last month that serious consideration should be given to calling such a conference. Other leaders of the Colombo powers--the countries responsible for arranging any new meeting--have not yet made any announcement about a meeting.

The enthusiasm with which the anniversary of the Bandung conference was observed by Communist and neutralist countries suggests that another such meeting may be held in the not too distant future.

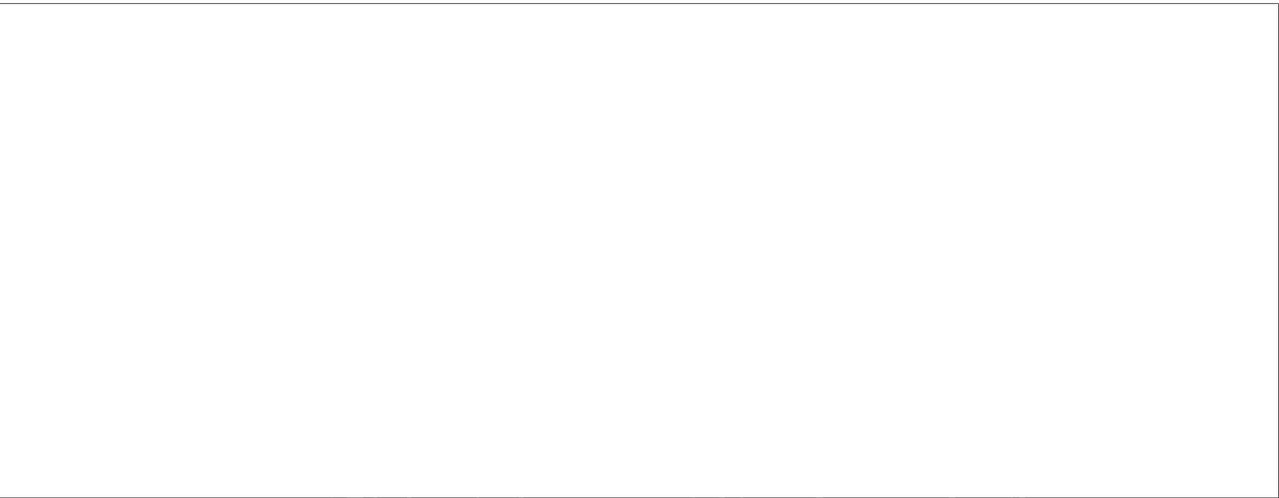
An "Afro-Asian students' conference" is to meet at Bandung between 26 and 31 May. 

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**THE ARAB-ISRAELI SITUATION**  
(Information as of 1700, 3 May)

Secretary General Hammarskjold's preliminary report to the UN upon completion of his mission to reduce border tension between the Arab states and Israel announced success in obtaining a cease-fire agreement between Israel and Egypt and "positive results" in the negotiations involving Syria, Lebanon, and Jordan. Details of the secretary general's report will not be released until next week. Both sides have reserved the right to act in self-defense and the critical issue of Arab-Israeli agreement on Banat Yacov remains unsettled. (Press)

In Israel, press reaction to Hammarskjold's mission continued uniformly skeptical. The press dismissed the latest agreements to strengthen the number of UN observers along the Gaza strip as "palliatives." (Press)



Discussions are now taking place among the Arab states on the possibility of asking the Latin American nations which have supported the Arabs in the United Nations to stop exports of oil to Israel's refinery at Haifa. (Press)

Israeli military sources remarked that they were not worried by the rumored "mass march" into Israel of Gaza refugees in June, because they consider the Gaza Arabs "unorganized, unco-ordinated, and lacking leadership capable of inspiring such action." [redacted]

